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CPA & CONSULTING
SERVICES, LLC

BRENDEL W. DEEMER, CPA
brendeldeemer@aol.com

HOPE HOUSE, INC.

Accountant's Review and Attestation Reports,
With Financial Statements and
Notes To the Financial Statements

For The Fiscal Year Ended June 30, 2009

Deemer CPA and Consulting Services, LLC

P.O. Box 870847 • New Orleans, Louisiana 70187 • 504.401.9581 • Fax 504.245.5886

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/17/10

**Hope House, Inc.
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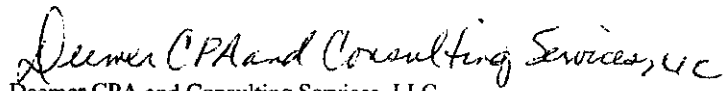
Accountant's Review Report

To the Board of Director's of
Hope House, Inc.

I have reviewed the accompanying statement of financial position of Hope House, Inc. (a non-profit corporation) as of June 30, 2009, and the related statement of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Hope House, Inc.

A review consists principally of inquiries of Hope House, Inc.'s personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.


Deemer CPA and Consulting Services, LLC
New Orleans, Louisiana
December 28, 2009

Hope House, Inc.
Statement of Financial Position
As of June 30, 2009

<u>Assets</u>	
Cash	\$ 114,960
Employee Advances	5,422
Grants Receivable	65,769
Investments	<u>23,556</u>
Total Current Assets	209,707
<u>Fixed Assets</u>	
Land	42,000
Buildings and Leasehold Improvements	162,378
Equipment	66,272
Accumulated Depreciation	<u>(235,715)</u>
Total Fixed Assets (Net)	34,935
Total Assets	<u>\$ 244,642</u>
<u>Liabilities and Net Assets</u>	
Salary and Taxes Payable	\$ 5,654
Accounts Payable	297
Intracompany Payable	<u>746</u>
Total Liabilities	6,697
<u>Net Assets</u>	
Unrestricted	<u>237,945</u>
Total Net Assets	237,945
Total Liabilities and Net Assets	<u>\$ 244,642</u>

The accompanying notes are an integral part of these financial statements

Hope House, Inc.
Statement of Activities
For the Fiscal Year Ended June 30, 2009

Revenues, Gains, and Other Support

Grant funds (gov't and private orgs)	\$ 423,378
Donations	126,802
Investment	171
Workshops	3,880
Rent	5,100
Other	<u>4,513</u>

Total Revenues, Gains, and Other Support	563,844
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Program Services

Adult Learning Center	142,588
Family Transitional Housing	78,543
Direct Services	<u>214,562</u>

Total Program Expense	435,693
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Support Services

General and Administrative	<u>151,072</u>
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Total Expenses	586,765
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Change in Net Assets	<u>(22,921)</u>
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Net Assets At Beginning Of Year	<u>260,866</u>
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Net Assets At End Of Year	<u><u>\$ 237,945</u></u>
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The accompanying notes are an integral part of these financial statements.

Hope House, Inc.
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2009

Cash Flows From Operating Activities:

Changes in Net Assets	\$ (22,921)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	11,491
Changes in Operating Assets and Liabilities	
Grant Receivable	64,237
Employee Advance	(4,061)
Accounts Payable	275
Salaries and Taxes Payable	5,654
Intracompany Payable	<u>(3,889)</u>
Net Cash Used by Operating Activities	50,786

Cash Flows From Investing Activities:

Purchase/Sale of Investments and Securities	0
Net Cash Used by Investing Activities	0

Cash Flows From Financing Activities:

Net Cash Provided by Financing Activities	<u>0</u>
Net Cash Increase for Period	50,786
Cash, At Beginning of Period July 1, 2008	<u>64,174</u>
Cash, At End of Period June 30, 2009	<u><u>\$ 114,960</u></u>

The accompanying notes are an integral part of these financial statements.

Hope House, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

1. Summary of Significant Accounting Principles

General - Hope House, Inc. is a nonprofit corporation located at 916 St. Andrew Street, in New Orleans, Louisiana. The organization provides many social services including housing, adult literacy and job training programs.

Hope House's main source of funding is grants from the Louisiana State Department of Education, City of New Orleans' Emergency Shelter Grant, and Family Transitional Housing funds and private donations.

Basis of Accounting - Hope House Inc.'s financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

Property and Equipment - The straight line method of depreciation is used for the assets owned by Hope House, Inc. The estimated useful lives of these assets range from 3 to 40 years.

Income Taxes - Hope House, Inc. has been determined to be tax exempt under Section 501 (c) of the Internal Revenue Code.

Cash - Cash is comprised of cash on hand and in banks.

Investments - Investments are stated at cost, which approximates market.

2. Investments

The investment securities consist of Money Funds in the amount of \$23,556 at June 30, 2009.

3. Grant Receivable

Grant receivable in the amount of \$65,769 at June 30, 2009 consists of cost reimbursement requests for certain grants that were not received as of year end. The receivable is deemed collectible, therefore no allowance for doubtful accounts has been established.

4. Employee Advances

Hope House, Inc. has various outstanding loans with certain employees ranging from fifty (\$50) to five hundred dollars (\$500). The loans have no stated rate of interest or specified payback period.

5. Restrictions on Net Assets

Restrictions placed on net assets are related to the funds received by Hope House, Inc. from federal grant awards. These restrictions are released as grant rules and regulations are met by the organization.

6. Property and Equipment

Property and Equipment consisted of the following at June 30, 2009:

Land	\$ 42,000
Buildings and Leasehold Improvements	162,378
Equipment	<u>66,272</u>
Total	270,650
Less: Accumulated Depreciation	<u>(235,715)</u>
Total Property and Equipment	<u>\$ 34,935</u>

7. Donations

Hope House, Inc. received \$126,802 in donations from various persons and businesses. These donations did not have substantial donor restrictions.

Hope House, Inc.
Schedule of Functional Expenses
For the Fiscal Year Ended June 30, 2009

	Program Services			Supportive Services		
	Adult Learning Center	Family Trans. Housing	Direct Services	Total Program Svcs.	Management & General	Total Expenses
Payroll Expenses	\$ 112,798	\$ 24,637	\$ 27,397	\$ 164,832	\$ 67,519	\$ 232,351
Direct Assistance	760	5,129	182,434	188,343	362	188,705
Professional Svcs.	1,490	0	0	1,490	3,920	5,410
Utilities	1,040	0	0	1,040	7,058	8,098
Telephone	1,514	299	0	1,813	3,250	5,063
Supplies	9,486	4,014	405	13,905	3,314	17,219
Administrative Fee	0	2,460	1,590	4,050	0	4,050
Employee Benefits	4,980	299	540	5,819	13,260	19,079
Insurance	0	4,950	0	4,950	10,920	15,870
Equipment	0	3,479	0	3,479	1,687	5,166
Repairs and Maint.	0	7,433	0	7,433	3,713	11,146
Meetings	900	22,658	272	23,830	1,945	25,775
Depreciation	0	0	0	0	11,491	11,491
Rent Expense	8,800	0	1,500	10,300	5,150	15,450
Postage	84	0	0	84	676	760
Program Expense	0	0	0	0	4,513	4,513
Food	0	1,000	0	1,000	950	1,950
Printing	707	0	0	707	472	1,179
Dues and Subscript.	0	1,500	0	1,500	1,052	2,552
Miscellaneous	0	0	300	300	4,247	4,547
Vehicle Expense	0	400	0	400	5,525	5,925
Bank Charges	9	285	124	418	48	466
Total Expenses	\$ 142,588	\$ 78,543	\$ 214,562	\$ 435,693	\$ 151,072	\$ 586,765

See Accountant's Review Report.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

November 22, 2009

Deemer CPA and Consulting Services, LLC

P.O. Box 870847

New Orleans, Louisiana 70187

(Auditors)

In connection with your review of our financial statements as of June 30, 2009 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of November 22, 2009.

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

N/A no prior year findings

Yes ☐ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Sh. Lilianne Flavin

Treasurer

Catina Williams

President

ATTESTATION REPORT
(Quasi-Public Entity)
Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Management of Hope House, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Hope House, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Hope House's compliance with certain laws and regulations during the period ended June 30, 2009 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Grant Source	Grant Period	Grant Expenditures 7/1/08 – 6/30/09
Unity for the Homeless	12/1/08- 11/30/09	\$171,375
LA Dep't of Education	7/1/08- 6/30/09	\$140,135
ESG	7/1/08- 12/31/09	\$ 49,358
FEMA	10/1/08- 9/30/09	\$ 14,428
Total		\$375,296

2. For each Federal, state, and local award, I randomly selected 6 disbursements from the award administered during the period under examination.

There were four separate funding sources, from which 6 disbursements were randomly selected during the period of July 1, 2008 through June 30, 2009.

3. For the items selected in procedure 2, I attempted to trace the twenty-four disbursements to supporting documentation as to proper amount and payee.

I have examined cancelled checks and/or bank statements that included each of the twenty-four selected disbursements to determine whether or not the proper amount was made payable to the correct payee. There was no exception noted when performing this procedure.

4. For the items selected in procedure 2, I attempted to determine if the twenty-four disbursements were properly coded to the correct fund and general ledger account.

There were no exceptions noted while performing this procedure. The twenty-four disbursements selected appeared to be properly coded to the correct fund and general ledger accounts.

5. For the items selected in procedure 2, I attempted to determine whether the twenty-four disbursements received approval from proper authorities.

The twenty-four disbursements tested appeared to have approval from the proper authorities through review of supporting documentation and check signatures.

6. For the items selected in procedure 2: For federal, state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. The allowability requirements appeared to be met for each of the twenty-four disbursements, because expenditures were included in the approved budget and appeared to coincide with the goals of the program.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements. Disbursements were in accordance with the approved budget for the twenty-four disbursements reviewed.

Reporting

I reviewed the previously listed disbursements for reporting requirements. The twenty-four disbursements selected were reported properly.

7. For the programs selected for testing in item (2), I planned to compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no required close-out reports provided for the programs and period under examination.

Meetings

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management has asserted that "open meetings" documents were properly posted on the door of board meetings, and complete agendas were made available, as required. I was provided a copy of the documents that were posted which appeared to have met the open meetings LSA-RS 42:1 through 42-12 requirements.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Hope House, Inc. provided comprehensive budgets to the applicable local, state, and federal grantors for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the project, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. I reviewed the prior year review/attestation report for any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year findings to review.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the management of Hope House, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Drew CPA and Consulting Services, LLC
December 28, 2009